

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**Office of the Chief Financial Officer**

Natwar M. Gandhi  
Chief Financial Officer



**MEMORANDUM**

**TO:** The Honorable Linda W. Cropp  
Chairman, Council of the District of Columbia

**FROM:** Natwar M. Gandhi  
Chief Financial Officer

**DATE:** May 7, 2003

**SUBJECT:** Fiscal Impact Statement: "Separation Pay, Term of Office and Voluntary Retirement Modifications for Chief of Police Charles H. Ramsey Amendment Act of 2003"

**REFERENCE:** Draft Legislation – No Bill Number Available

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**Conclusion**

Funds are sufficient in the FY 2003 budget and the FY 2004 through FY 2007 budget and financial plan as currently agreed to by the Mayor and the Council of the District of Columbia. Implementation of the proposed legislation will not require any additional staff or resources. The District of Columbia Metropolitan Police Department will be required to remain within its existing budget authority when implementing the components of the proposed legislation.

District agencies are currently required to remain within their existing resources when making personnel decisions. Anti-deficiency laws, 31USCA § 1341 (2000) and D.C. Official Code § 47-355.01 *et sequitor* (2003), prohibit District officers and employees from exceeding agency appropriations in any fiscal year.

**Background**

The proposed legislation makes an exception in the case of the pending personnel agreement for the Chief of Police Charles H. Ramsey by amending the D.C. Code to make a legal exception to accommodate the following provisions:

- ♦ In the case of an involuntary separation the calculation for purposes of severance pay shall be 6 months. In the case of a term of less than 6

months the severance will be equal to the actual number of days remaining; and

- ♦ In the case of a voluntary separation the annuity will be computed at a rate of 3.43 percent of the person's pay times the number of years of creditable service.

Currently only 12 weeks of severance is allowed for purposes of calculation of severance pay. Also, only 2.5 percent is allowed per creditable years of service for retirement benefits. The term of the proposed personnel agreement is set at 4 years plus 9 months beginning April 21, 2003.

### **Financial Plan Impact**

Funds are sufficient in the District's budget and financial plan to implement the proposed legislation because no additional staff or resources will be required. An actuarial study performed by Milliman USA concluded that District contributions to pay and retirement will need to be slightly increased. The District has sufficient resources for these purposes.

When implementing the components of the proposed legislation the District of Columbia Metropolitan Police Department will be required to remain within its existing budget authority.

*The Chief Financial Officer's legislative fiscal analysis is prepared by the Special Projects and Fiscal Analysis Administration in the Office of Research and Analysis. Contact us at 441 4<sup>th</sup> Street, NW, Suite 400S, Washington D.C., 20001 or view our work on-line at <http://cfo.dc.gov>.*